

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Katy Allen

**SUBJECT: JACKSON/TAYLOR
UNDERGROUND UTILITY
DISTRICT**

DATE: 09-07-05

Approved



Date

9/16/05

Council District: 3

RECOMMENDATION

Conduct a Public Hearing and adopt an ordinance to establish a combination Rule 20A and In-Lieu Fee (Rule 20B) Underground Utility District on Taylor Street from First Street to Tenth Street; Jackson Street from Seventh Street to Ninth Street; Seventh Street from Jackson Street to Taylor Street; and Sixth Street from Taylor Street to Empire Street.

CEQA: Exempt, PP05-148.

BACKGROUND

Through the Rule 20A Underground Utility Program, the California Public Utilities Commission requires Pacific Gas and Electric Company (PG&E) to annually allocate funding to finance the undergrounding of overhead distribution facilities located on public streets within the City of San José. The California Public Utilities Commission also requires SBC, through Rule 32, to allocate funding for undergrounding where PG&E has been required to underground. Comcast is required by franchise agreement to budget funds to participate in projects where the PG&E Rule 20A and SBC Rule 32 funds are programmed.

In June 1989, Council adopted an ordinance establishing an In-Lieu Utility Undergrounding Fee Program (Rule 20B). The ordinance requires the developer to pay a fee in-lieu of completing the aerial-to-underground conversion themselves along their street frontage. The Department of Public Works then coordinates the establishment and construction of utility conversion projects in accordance with the current work plan approved by Council.

The proposed Jackson/Taylor Underground Utility District (District) is included in the 2004/05-2009/10 Rule 20A and Rule 20B (In-Lieu Fee) Underground Utility Program Five Year Work Plan reported to Council on March 23, 2005. The proposed District meets the criteria established by the City to complete the undergrounding of utilities in Redevelopment or

Neighborhood Business District areas and will remove aerial facilities within the proposed District boundary (map attached).

An issue unresolved is whether the project will include aboveground cabinets versus belowground vaults, and whether PG&E 20A funding is applicable for the belowground installation. This has been a key topic in two recent workshops with PG&E. The goal of the workshops is aimed at resolving obstacles to improve project delivery. The Jackson/Taylor project is being used as a pilot project to expedite and elevate the decision-making process.

Within the limits of this project, PG&E is proposing approximately nine aboveground cabinets. These cabinets would be placed on private properties, subject to property owners granting easements to PG&E. Should the easements be unobtainable, it is not yet determined whether PG&E can use Rule 20A monies or whether the City would pay for these Special Facilities. No funding source currently exists for the additional costs. The estimated cost to underground these structures is \$35,000-\$70,000. If the City is required to pay for the Special Facilities, an additional Council funding action would be necessary."

ANALYSIS

On August 31, 2005, notices of a public hearing were mailed to all utility companies, owners of property and owners adjacent to the proposed District.

A schedule for establishment and implementation of the proposed Underground Utility District is presented in Attachment B.

OUTCOMES

Approval of this ordinance will establish the Jackson/Taylor Underground Utility District in accordance with the San José Municipal Code. In addition, it will enable City staff to direct utility companies to begin design of the project. Establishment of this district will improve the appearance, pedestrian mobility and ease of utility equipment maintenance.

PUBLIC OUTREACH

A community meeting was held on July 21, 2005, by City staff to inform the public of the undergrounding project. Staff responded to questions about the project and the private property conversion process. Nine people from the community attended the meeting. Eight were property owners and one person was a member of the Japantown Business Association. Three concerns brought forth at the community meeting involved: internal wiring changes to the buildings that may involve intensive electrical work, who would be the responsible party for installation of

trench on private property, and who would help coordinate the private property conversions. City staff responded that conversion work is strictly confined to the existing meter panel and no internal rewiring of the buildings would be required (unless the property owner requested an upgrade to the building's service). PG&E would be responsible for the trenching on each private property. Public Works staff was identified as the coordinator for conversion of private properties.

City staff raised the issue of PG&E's desire to obtain no-cost easements to install some of the aboveground cabinets. Attendees generally reacted negatively to the no-cost easements.

Upon City Council's approval of the ordinance at the public hearing, Public Works will mail a notice of adoption of ordinance to all utility companies, and property owners of property adjoining the proposed District.

Prior to the start of construction activities, PG&E will place "Door Hanger" construction notices on properties adjoining the proposed District and those affected by construction.

On September 26, 2005, staff will transmit a supplemental memo should any comments or protest be received for consideration at the public hearing.

COORDINATION

The establishment of the proposed District and project schedule has been coordinated with PG&E, SBC, Comcast, the San José Redevelopment Agency and the Japantown Neighborhood Association. The City Attorney's Office has reviewed the required ordinance to establish the District. This memo was coordinated with the Planning, Building and Code Enforcement Department and the City Manager's Budget Office.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: None

2. COST OF PROJECT (ESTIMATED):

COST TO UTILITIES:

PG&E Rule 20A Allocation	\$975,000
SBC Rule 32	1,200,000
Comcast	425,000
Total Cost to Utility Companies	2,600,000

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COST TO CITY:

Project Development, Administration and Construction	
Inspection (Fund 416)	231,000
PG&E Rule 20B Agreement	325,000
Construction:	
City Facilities Conversion (20A) (Fund 429)	170,000
City Facilities Conversion (20B) (Fund 416)	24,000
Total Cost to City	750,000

TOTAL PROJECT COSTS (ESTIMATED): **\$3,350,000**

3. **SOURCE OF FUNDING:** Fund 416 - Underground Utility Fund
Fund 429 - Building and Structure
Construction Tax Fund
4. **FISCAL IMPACT:** This project is consistent with the Council-approved Budget Strategy for Economic Recovery section in that it will spur construction in our local economy and have no significant impact on the General Fund.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract*	2005-2006 Proposed Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
Remaining Project Costs**				\$750,000			
Current Funding Available							
416	4654	Underground Utility Program	103093	\$1,741,000	0	V-107	MBA #60, 6/21/2005 Ord. No. 27474
Total Current Funding Available				\$2,112,000	0		

* Design costs of \$30,000 are anticipated in 2005-2006. In addition, remaining City project costs of \$720,000 are anticipated in FY 2006-2007 and FY 2007-2008. Funding for these remaining costs has been programmed in 2007-2008 in the 2006-2010 Adopted Traffic and Developer Assisted Projects CIP's.

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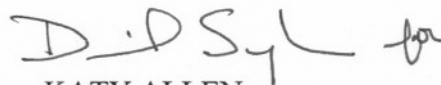
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CEQA

Exempt, PP05-148.

A handwritten signature in black ink, appearing to read "D. D. Syl" followed by a stylized flourish.

KATY ALLEN

Director, Public Works Department

MO:CM:SK:lr:ea:nc

(lr082605cm.JacksonTaylor UndergroundUtility DistrictOrd.doc/util)

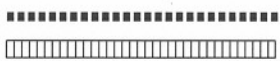
Attachments



NOT TO SCALE:
LEGEND

DISTRICT BOUNDARY
RULE 20B PORTION

PROPERTIES REQUIRING
SERVICE CONVERSION



ADDRESS #565

CITY OF SAN JOSE UNDERGROUND UTILITY DISTRICT JACKSON/TAYLOR

REVISED 6/10/05

UNDERGROUND UTILITY DISTRICT AT JACKSON/TAYLOR

Establishment Schedule

Aug. 30, 2005	City Council adopts a resolution setting a time and place for a Public Hearing.
Aug. 31, 2005	Director of Public Works mails a Notice of Public Hearing to all adjacent property owners.
Sep. 26, 2005	Director of Public Works transmits a report of comments and/or protests received for consideration at the Public Hearing.
Sep. 27, 2005	City Council conducts a Public Hearing and at its conclusion approves an Ordinance establishing an Underground Utility District on Taylor Street from First Street to Tenth Street; Jackson Street from Seventh Street to Ninth Street; Seventh Street from Jackson Street to Taylor Street; and Sixth Street from Taylor Street to Empire Street.

Project Implementation Schedule

October 2005	Utility companies begin design of substructure, conduit, vaults, electric and cable facilities.
July 2007	Construction starts
July 2008	Utility companies complete connections and remove overhead wires and poles.